



A Comprehensive Water Policy: What Do We Need To Do And How Can We Pay For It?

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**Water Plan Update 2013 Plenary
October 26, 2011**

Evolving Natural Resource Policy Then and Now



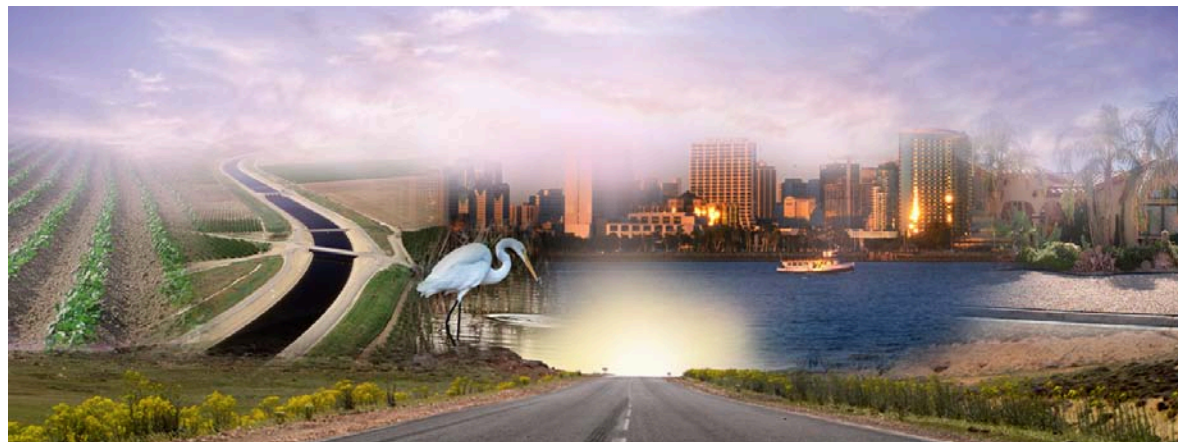
San Luis Reservoir
Dedication

Mid 20th Century



Judge Wanger's Courtroom

Late 20th Century

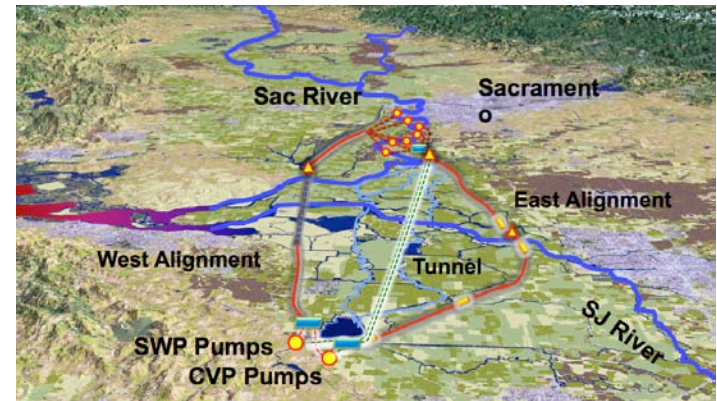


21st Century: Co-equal Goals

Elements of a Comprehensive Solution



Local Resource Investment



Delta Conveyance Solutions



Habitat and Watersheds



Additional Storage

Infrastructure Is Really Important for Co-equal Goals

Intake Facilities: Then and Now



City of Sacramento Intake
2005, \$33M
Capacity=160 MGD



City of Sacramento Intake
Intake Prior to 2005
Capacity=160 MGD

Co-equal Goals Are Really Expensive

Co-equal Goals Are Really Expensive



EBMUD Freeport Intake
Cost: \$120 million



GCID Intake
Cost: \$75 million



RD108
Cost: \$38 million



Co-equal Goals Are Really Expensive



Butte Creek
Cost: \$40 million

Co-equal Goals Are Really Expensive

Local and Regional Infrastructure



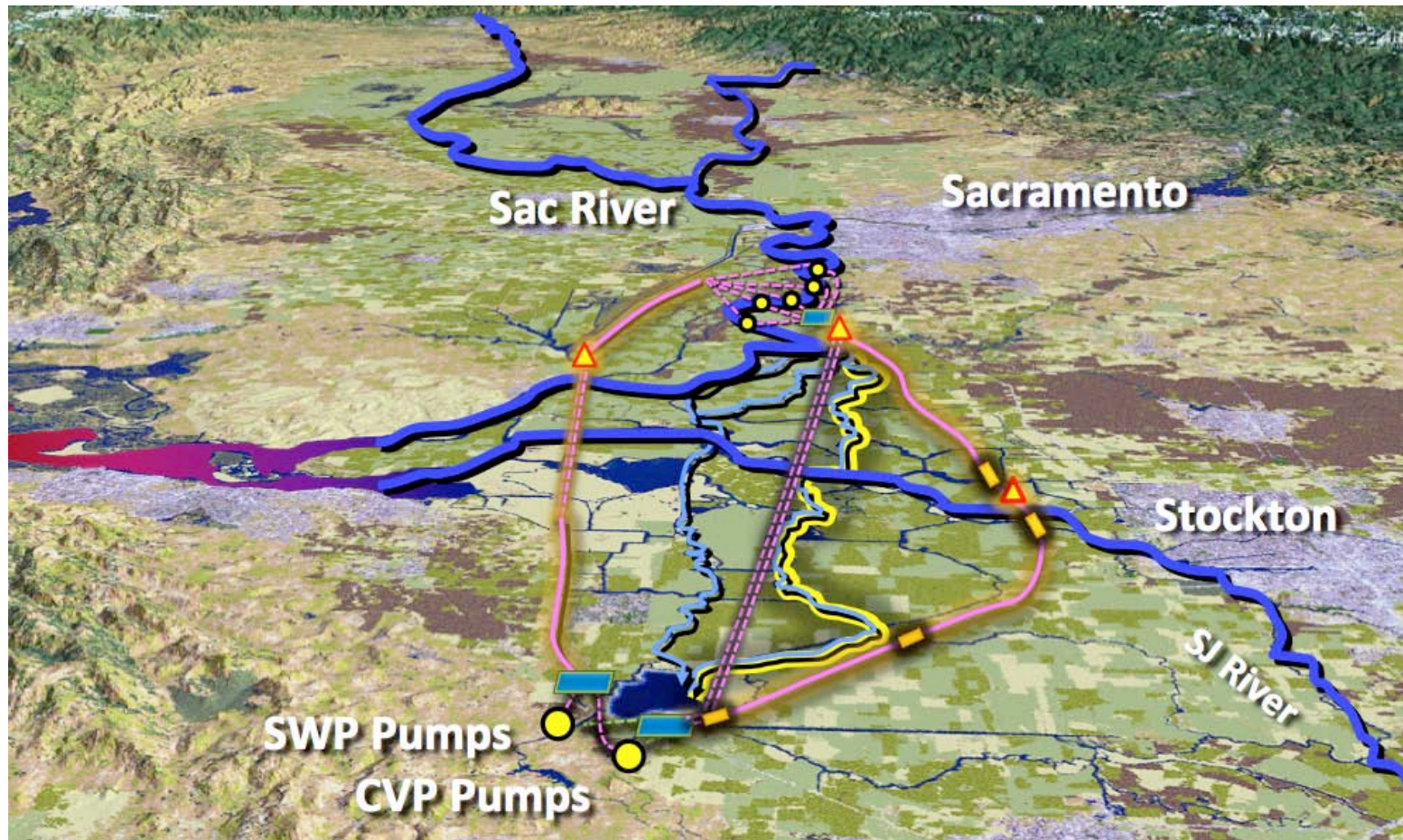
Desalination



Recycling

Co-equal Goals Are Really Expensive

BDCP Conveyance Alternatives



Cost = \$8 billion to \$12 billion

Co-equal Goals Are Really Expensive

Storage Infrastructure for Fish



Shasta Dam:
Temperature Control



San Luis Reservoir:
Flow Control



Local Storage: Accommodating More and More Fish Protection

The Storage Paradigm is Changing

1950s Storage Strategy

- Reservoirs on North Coast Rivers
- Move water when it's dry

Recent Storage Projects

- Storage has moved off-stream
- Closer to the end-user
- Move water when it's wet

21st Century Storage

- Essential element of proactive strategies for co-equal goals



Co-equal Goals Blur the Lines Connecting Projects and Beneficiaries

Then



Bold Lines Connecting Projects and Beneficiaries

Co-equal Goals Blur the Lines Connecting Projects: Beneficiaries

**But We Manage
Statewide Resources
in Silos**



Co-equal Goals Blur the Lines

Connecting Projects: Beneficiaries

Now

Sites

Shasta

Oroville

- Project integration essential
- Projects operated for co-equal goals
- The bold lines are considerably faded

Los Vaqueros

Folsom

San Luis

Temperance
Flat

Groundwater
Bank

California

Facts of Life About the Co-equal Goals

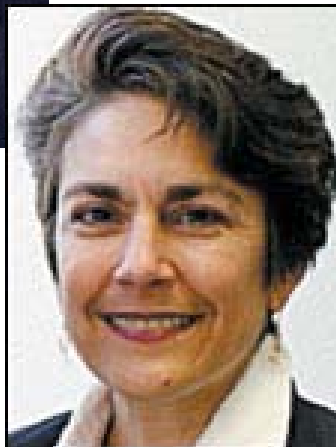
- Infrastructure is more important, not less
- Co-equal infrastructure is more expensive
- Infrastructure must be more integrated
- Investments are more public, less private
- Lines between projects and beneficiaries are blurred

These Realities Challenge the Execution and Financing of 21st Century Water Solutions

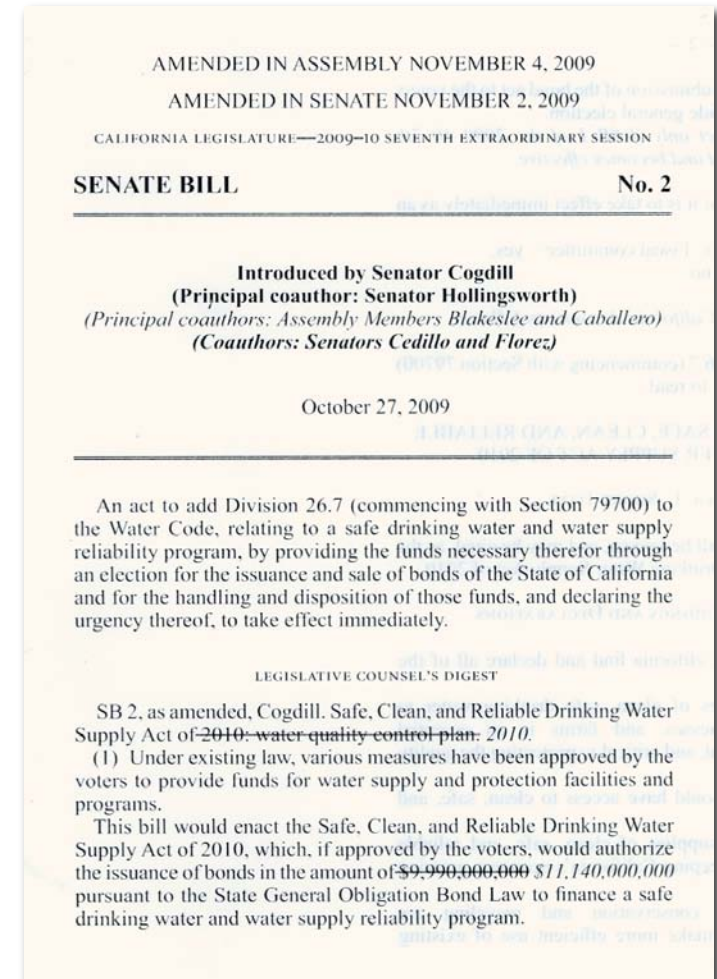
Finance: “Safe, Clean, and Reliable Drinking Water Supply Act of 2012” – \$11.14 Billion



Cogdill



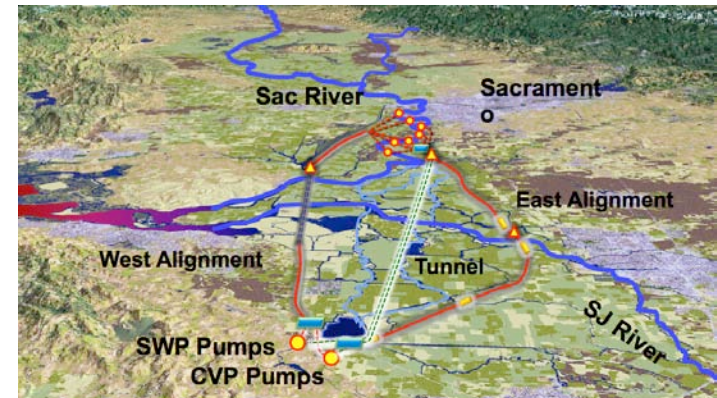
Caballero



What The Bond Does NOT Pay For

- Conveyance infrastructure
- Private water supply benefits from storage

**Water ratepayers
will pay these costs**



Major Expenditure Categories for the Water Bond

$$\$11 = 4 + 4 + 3$$

- \$4 billion: Local Resource development
- \$4 billion: habitat and watersheds
- \$3 billion for storage for co-equal goals and other public benefits



**These “Public” Investments will Leverage
Another \$20-\$30 Billion in “Private Capital”**

What If We Can't Pass a G.O. Bond?

The ACWA California Water Finance Task Force



Chair



Vice-Chair

Task Force Members

At Large: Gary Arant

At Large: Paul Bartkiewicz

Region 1: Paul Helliker

Region 2: Sandy Willard Denn

Region 3: Ron Nelson

Region 4: Robert Nees

Region 5: John Coleman

Region 6: William Diedrich

Region 7: J. Paul Hendrix

Region 8: Glen Peterson

Region 9: Steven Robbins

Region 10: Peer Swan

Key Strategy: Protect Multiple Paths to Success

Can We Afford All This?

We Need to Invest About \$40 Billion to Create a “Co-equal” system over the next 25 years



On a per capital basis, that's about 1/3 of what our grandparents invested in our future.

Can We Afford All This?



A Gallon of **TAP WATER**
\$0.002



Can We Afford All This?

A Gallon of



\$2.49



\$4.00



\$11.35



\$45.00

A Gallon of Tap Water
\$0.002

1,200
Gallons

2,000
Gallons

5,700
Gallons

22,500
Gallons



Can We Afford All This?



\$45.00



Your Swimming
Pool



And Your Neighbors
Swimming Pool

Can We Afford All This?

The Public Investment =



3 bottles of water
per household per
month



MONTHLY COST OF
TAP WATER

In the future, your water bill will still be less than

MONTHLY COST OF



Electricity

MONTHLY COST OF




Cable

MONTHLY COST OF



Mobile Phone

The Challenge

- 
- ACWA strongly supports implementation of the comprehensive package
 - Package will require a broadly supported finance plan
 - Finance plan must reflect the growing “public benefits” in 21st Century California water policy
 - If not this bond, then what?
 - Any changes must be consist with
 - Implementation of the whole package
 - Beneficiaries pays principle
 - Capable of securing a 2/3 vote

The Challenge Continues



Stay Tuned...

Contact

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